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August 9, 2016

VIA ECF

Honorable Mark Falk, U.S.M.J.
United States District Court
Frank R. Lautenberg U.S.P.O. & Courthouse
1 Federal Square
Newark, New Jersey 07101

Re: *Sun v. Han, et al.*
Docket No. 2:15-cv-703 (JLL)(JAD)

Dear Judge Falk:

We write on behalf of Lead Plaintiff in the above-referenced action. Lead Plaintiff instituted this lawsuit naming Telestone, Telestone's individual officers, and Telestone's outside auditor, Mazars CPA and related entities, in order to hold them accountable for the harm that they caused the company's shareholders through their violations of the Securities Exchange Act of 1934. Lead Plaintiff's original complaint was filed on February 2, 2015 and his amended complaint on August 17, 2015. In less than one year, Lead Plaintiff and Mazars CPA reached a settlement. Lead Plaintiff will endeavor to file his Motion for Preliminary Approval within the next 60 days.

During the most recent conference, Your Honor raised several questions concerning the next steps for this action and the remaining defendants. For the reasons that follow, Lead Plaintiff respectfully submits that the case should remain open until service is effectuated on the remaining defendants and those individual officers either appear or a default is entered against them.

As an initial matter, Lead Plaintiff notes that his efforts to serve the remaining defendants are advancing in China. Lead Plaintiff remains confident that service will be effectuated in China within two to five months. Should these efforts in China prove fruitless, Lead Plaintiff will move for leave to provide alternative service to apprise these defendants that an action has been brought

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against them and to give them an opportunity to defend. Lead Plaintiff's efforts would be driven by the date on which we are apprised that efforts to serve the defendants in China have failed or the date selected for the final approval hearing. In any event, Lead Plaintiff would move for leave to provide alternative service no less than 30 days before the final approval hearing. Because the case must remain open through final approval, Lead Plaintiff's efforts to locate and serve the remaining defendants while they play "catch me if you can" will not impact the consummation of the settlement with Mazars CPA.

This Court has broad discretion to extend the time for service, *Petrucelli v. Bohringer & Ratzinger*, 46 F.3d 1298, 1305 (3d Cir. 1995), and the Third Circuit has a "preference that cases be disposed of on the merits whenever practicable." *Hritz v. Woma Corp.*, 732 F.2d 1178, 1181 (3d Cir. 1984). Accordingly, Lead Plaintiff respectfully submits that the most prudent and reasonable path forward is to allow Lead Plaintiff's efforts to serve the remaining defendants in China – efforts that began many, many months ago – to play out and then, if necessary, to pursue alternative service of the remaining defendants.

We appreciate the Court's consideration of this matter and we look forward to answering any questions that Your Honor may have during tomorrow's telephone status conference.

CARELLA, BYRNE, CECCHI,
OLSTEIN, BRODY & AGNELLO

/s/ Donald A. Ecklund

DONALD A. ECKLUND

cc: All Counsel of Record (via ECF)